

PRESENTATION MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT AGENCY (MSMEDA)



- ❖ MSMEDA was established by Prime Minister's Decree No. 947 of 2017 as amended by Decree No. 2370 of 2018.
- ❖ MSMEDA replaced the Social Fund for Development which was established in 1991 and which had to its credit 25 years of accumulated experience and expertise in various fields of development.
- ❖ MSMEDA offers packages of financial and non- financial services and plays an important role in coordinating the efforts and initiatives of partner agencies.
- ❖ MSMEDA has a board of:
 - ✓ The Prime Minister,
 - ✓ With membership of several ministers ,
 - ✓ And five highly experienced members in fields related to MSMEDA's activities.
 - ✓ An executive director to oversee the strategic vision and lead the business decision to ensure positive impact and tangible growth.
- ❖ MSMEDA is the designated entity responsible for the development of MSMEs and entrepreneurship.
- ❖ MSMEDA coordinates and integrates the efforts of all stakeholders, NGOs and initiatives working in this field.
- ❖ MSMEDA's outreach is realized through a network of regional offices populating the governorates of Egypt. This network is comprised of 33 regional offices that include a one-stop shop to assist the beneficiaries. Moreover, this network conducts its business with 700 NGOs and 1900 bank branches nationwide including an adequate number of partners the urban and rural level.

International cooperation and resource mobilization with development partners

- **MSMEDA and the Islamic Bank Group have a strategic partnership since its inception.**
- **The total financing agreement provided by the Islamic Bank Group to MSMEDA is \$81.99 million.**
- **The Youth Employment Support Program, funded by the Mudaraba Agreement, is a contribution from the Islamic Bank to support job creation for youth.**
- **The Islamic Bank for the first time has developed a product for financing venture capital in the form of speculation mudaraba to mobilize and employ sukuk funds for microfinance and support youth in the Ard al-Khair project.**
- **Ard Al Khair Organization is responsible for adopting young entrepreneurs and developing their capabilities on the best practices of livestock breeding and helping them to market them.it.**
- **The percentage of women who benefited from this project is close to 90%.**
- **Ard al-Khair incubators created 20,257 job opportunities for young people in Egypt.**
- **It was presented during the International Peace Forum, which was held in November 2020 in Paris, as one of the successful models and was nominated by the Bank for the Prince Bin Talal International Prize.**
- **The final progress report of the restricted mudaraba showed a positive development results and they agreed on starting a negotiation with the Islamic bank to provide a new fund for MSMEDA.**

The Micro ,Small and Medium Enterprise Development Law

Law No. 152 of 2020 of Micro ,Small and Medium Enterprise Development, and its Executive Regulations No. 654 of 2021 were issued, in order to create a legislative and regulatory climate favorable to entrepreneurship development in Egypt.

- ▶ One definition for MSMEs.
- ▶ Tax and non-tax incentives.
- ▶ Reconciliation of the status of informal enterprises (encouraging enterprise formalization).
- ▶ Smooth enterprise establishment and incorporation procedures.
- ▶ Incentives for establishments/firms that support MSMEs.
- ▶ Simplified tax status for SMEs with annual turnover not exceeding 10 million Egyptian Pounds.
- ▶ Facilitation of access to finance.
- ▶ Land allocation for enterprises.



MSMEDA Services for Different Steps of The Project

5- Marketing Phase:

- Local/international exhibitions
- Commercial chains
- Training on e-marketing
- Business to business (B2B)
- Public procurement.
- Programs for exportation.
- Export opportunities.
- Business development programs certified by ILO.
- Mentoring/advice programs certified by UNIDO.

4- Financing phase:

- Conventional lending (direct lending/banks/financial institutions)
- Islamic finance
- Financial lease
- Factoring
- Venture capital
- Franchises

1- Enterprise idea phase:

- Preliminary feasibility studies
- Programs for identifying/developing entrepreneurial skills (Identify/Create your Business Idea!) certified by ILO
- Mentoring/counselling/advice programs certified by UNIDO

2- Enterprise initiation phase:

- Start your Business/Businesswomen Go Ahead (marketing/management/finance/business start plan) certified by ILO
- Information on supply venues of machines and equipment
- Business incubators/industrial complexes
- Competitions for emerging enterprises
- Mentoring/advice programs certified by UNIDO.

3- Enterprise establishment and the license phase:

- Commercial registries/tax cards
- Temporary licenses for start-up enterprises
- Licenses for existing enterprises/reconciliation of enterprise status
- Enterprise classification/privilege certificates
- Enterprise incentive certificates
- Mentoring/advice programs certified by UNIDO".





I- Financial Services

1- Finance to Small Enterprises

Various Types of Finance



Objective:

- MSMEDA provides diversified soft financial packages to owners of small formal enterprises to help them either to establish their start-up businesses or to expand their existing enterprises/activities.
- Clients can access these financial packages whether through applying to MSMEDA directly or to financial intermediaries contracted with MSMEDA (banks, and non-banking financial institutes) to provide facilities to these clients.
- MSMEDA avails the venture capital investment mechanism by investing in funds and companies which support the startups and entrepreneurship eco-system.

Main terms and conditions to receive a loan:

- ✓ Legal capacity, good behavior, and proficient literacy.
- ✓ Client's full-time dedication to the project and its management, and his presence in the same governorate or a neighboring one.
- ✓ Completion or exemption or postponement from military duty for a period covering the loan tenor (for clients in the legal required age bracket).
- ✓ Technical and economic feasibility of the project and its compliance with environmental obligations.

Finance Mechanisms:

- ✓ Financial Intermediaries (banks, non-banking financial institutes)
- ✓ Direct lending
- ✓ Venture capital

1- Finance to Small Enterprises



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Venture capital

- MSMEDA supports startups by applying the venture capital investment mechanism.
- This mechanism is based upon capital injection in the funds and /or companies that perform activities matching with MSMEDA's objectives and support both startups and the entrepreneurship environment.
- This type of investment is done through a co-investment strategy with experienced VCs funds and institutions in dealing with startups with a requested minimum participation of the private sector.

Investment mechanism:

- Participating in VC funds/companies' capital.
- Investing in/with angel investors, incubators, accelerators' capital.
- Availing Venture debts.
- Providing facilities to startups in their early or growth stage (where a strategic investor contributes to their capital).

Target groups:

- VC funds/companies, angel investors, incubators, and accelerators .
- Early or growth stage startups that already received capital contributions from strategic investor(s).

Direct lending

- MSMEDA delivers various finance packages for small enterprises and youth with limited access to financial institutions and conventional finance methods.
- MSMEDA targets both start-up (newly established) and/or existing projects whether through conventional or Sharia –compliant facilities.

Types of financing:

- Medium-term facilities/Murabaha to finance the purchase of machinery and/or equipment along with financing working investment needs of the projects.
- Short term facilities/Murabaha to finance working investment needs – projects' asset conversion cycles along with vehicles needed for the project's activities.
- Provided facilities cover different economic sectors, such as, manufacturing, commercial, services, agriculture, etc.
- MSMEDA's direct lending arm is able to designs specialized financial products to serve certain categories, activities, geographical areas, and purposes.

Target groups:

- Youth.
- Women empowerment.
- Border governorates.
- Poverty map governorates.
- Vulnerable groups (women households, handy capped, poor, etc.).

MSMEDA

Venture Capital - PROGRAM

- A USD 50MM fund of funds program funded by the World Bank.
- Launched in November, 2020.
- Main KPIs:
 - No. of Funds receiving equity finance (across the spectrum from: seed& Angel, Early stage, Early growth): 10 Funds .
 - No. of entrepreneurs receiving equity finance: 190 companies.
 - Private mobilized capital: USD 90MM.

Banks:

Financial areas:

- Medium-term loans to finance the purchase of machinery and equipment as well as initial working capital.
- Short-term loans to finance working capital for subsequent activity cycles.
- Sharia-compliant finance (through various forms of Islamic contracts).
- Specific finance initiatives (sectorial/geographical).



Non- Banking Financial Institutes:

Financial leasing:

- Availing facilities to clients willing to purchase fixed assets (such as machinery and equipment), in accordance with the applied terms and regulations of the leasing companies, in order to benefit from such mechanism.
- MSMEDA enter into Contracts with regulated leasing companies, working under the supervision of Financial Regulatory Authority to offer specific financial products.

Factoring:

- Providing facilities to cover projects' short-term needs, which can't be satisfied through conventional financing channels due to the fact of its inability to meet their applied conditions and terms.



2- Finance to Micro Finance Project

Objective:

- Providing a group of services that aims to support the development of the microfinance industry on the national level, through availing funds, financial & non-financial services that includes institutional capacity building & technical assistance to intermediary agencies to be able to deliver better services to clients in all the governorates.
- These services come within the framework of MSMEDA's strategy to:
 - ✓ Support economic empowerment policies
 - ✓ Enhance financial inclusion of target groups
 - ✓ Encourage enterprise formalization
 - ✓ Ease burdens on the citizens
 - ✓ Improve livelihood for the needy households
 - ✓ Support MFIs/NGOs' role in socio-economic development
- This is consistent with the national strategic goals for expanding in microfinance activities as an effective tools for supporting poverty-reduction.

Specialized finance:

- ✓ Group loans for women
- ✓ Projects for special abilities , female headed households for these target groups.
- ✓ Rural & agribusiness development projects.
- ✓ Green projects.

Target groups:

- ✓ Micro projects owners.
- ✓ Women
- ✓ Handcrafts & heritage projects owners.
- ✓ Entrepreneurs who wants to start their business or expand their existing ones.

Finance mechanisms:

- ✓ MFIs/NGOs
- ✓ Banks
- ✓ Microfinance Companies

Eligibility criteria for MFIs/NGOs to receive loans from MSMEDA to re-lend micro projects includes:

- ✓ Microfinance license (from Financial Regulatory Authority)
- ✓ Last three years financial statements of the MFIs/NGO
- ✓ Statement from the supervising department in the concern ministry stating that the MFIs/NGOs has no financial or administration violations.

Basic conditions that should be available for Microfinance borrowers to receive a loan includes:

- ✓ National ID card.
- ✓ Resident in the same governorate where the enterprise is established (or a proximate governorate).
- ✓ Not less than 21 years old.



II-Non-financial Services

Objective:

- Present/facilitate MSMEs initiation/development services to improve their performance and increase their competitive edges.
- Upgrade the networks and capacities of service providers (intermediaries) serving MSMEs.
- Support enterprise formalization.
- Encourage women and youth to establish and/or expand MSMEs.



Target groups:

- Fresh graduates desirous of establishing MSMEs.
- Artisans with adequate experience.
- Existing entrepreneurs seeking to grow their businesses.
- Marginalized groups, groups of determination and women

Non-financial Services



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جهاز تنمية المشروعات

Entrepreneurship

- Entrepreneurship awareness programs.
- Training for start-up and /or existing enterprises.
- Development of new training programs according to target categories.
- Mentoring /advice / counselling for entrepreneurs of both sexes to start up or develop small or micro enterprises.

One-Stop-Shop (OSS)

- Tax card.
- Commercial register.
- Enterprise Classification Certificate.
- Enterprise incentives Certificate.
- Enterprise privilege Certificate .
- Temporary license /Permanent license (Reconciliation of status of informal enterprises).
- Reconciliation of status of informal enterprises.
- Social insurance.

Business Development

- Suppliers' roster (to help small entrepreneurs obtain their share in public procurement) .
- Export opportunities.
- Seasonal and permanent exhibitions.
- E-marketing, services and solutions registration on to MSMEDA site, Jumia, Amazon Platform.
- Enterprise formalization through 33 one-stop-shops (OSS).
- Business 2 Business.

Product Development

- Technical and vocational training in case of fund resources (grants) on sewing, jewelry making, IT, stained glass making...
- Counselling on (business information, preliminary feasibility studies for agro-industrial businesses ...).
- Productive clusters for micro and small enterprises.
- Barcode service.
- Packages of replicable projects (converting vehicles to work with dual fuel "natural gas/gasoline", mobile marketing outlets...).
- Business development for women-owned enterprises (counselling, training, mentoring ...).
- Counselling/advice on franchises (facilitating communication among franchisors, franchisees and service providers).

III- Human & Community Development

General objective:

- MSMEDA adopts integrated Human and Community Development programs responding to community needs and observing social accountability.
- MSMEDA implements these programs in cooperation with partner agencies according to the geographical targeting mechanism to create permanent or short-term employment opportunities for youth.
- Human and Community Development programs operate according to three core pillars:
 - ✓ Labor-intensive infrastructure projects
 - ✓ Community development
 - ✓ Youth employment (improving employability)

These pillars aims at:

- Alleviate poverty through implementing labor-intensive community infrastructure projects as part of Egypt social safety net.
- Create short-term employment opportunities for unskilled and semi-skilled labor within targeted communities to improve living conditions focusing on poor & deprived areas, particularly, in Upper Egypt by using geographical targeting mechanism and poverty map.
- Contribute to generating permanent job opportunities for youth through self/wage-employment by upgrade youth technical skills and entrepreneurial capabilities



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MSME
مشاريع
جهاز تنمية المشروعات



III- Human & Community Development (con.)

Pillar (1): Labor-intensive infrastructure projects

- Rehabilitate and renovate houses of poor families.
- Maintain and rehabilitate schools.
- Weed removal from small canals.
- Protect River Nile Banks.
- Pavement of rural roads.
- Extend gravity lines for sewage/sanitation.
- Establish treatment /pump stations for sewage networks.
- Rehabilitate public buildings.
- Extend potable water networks.
- Cover water canals penetrating residential areas.

Before



After



Pillar (2): Human and Community service projects

- Provide Health/population services.
- Provide Environmental services.
- Provide Educational services :
 - ✓ Illiteracy eradication
 - ✓ Kindergartens

Pillar (3): Improving employability

Carry out programs/projects with partner agencies to:

- Identify labor market skills needed and existing technical gaps.
- Qualify youth for labor market skills.
- Help youth find job opportunities through self/wage- employment.





Women Empowerment



Gender Unit:

In 2013, MSMEDA established a specialized unit engaged in gender issues and women empowerment. The establishment of this unit was funded through the project of “The Economic, Social and Legal Empowerment of Egyptian Women” in cooperation with the United Nations Development Program (UNDP) and the Swedish Embassy (SIDA).

Gender Equality Seal:

In 2019, MSMEDA was awarded the Gender Equality Seal. It is a global certification awarded to public institutions that put in place strong and practical mechanisms to ensure gender equality mainstreaming into every aspect of procedures and programs.

50 Million African Women Speak Platform (50 MAWSP):

In 2020, MSMEDA has launched the 50 Million African Women Speak Platform in cooperation with Common Market for Eastern and Southern Africa (COMESA). The platform is intended to empower millions of women in Africa to start, grow, and scale up businesses. The national teamwork for the Platform was formed and the first coordination meeting took place in 2021.



Environment Protection

- Environmental protection and preservation of natural resources is one of the UN Sustainable Development Goals (SDG) and Egypt Vision 2030.
- MSMEDA Applies "Integrated Environmental Management Plans and Guidelines" In order to secure the rights of the new generations, subject to national and international environmental and social considerations, complying with the measures of the Egyptian Ministry of Environmental Affairs and donor Agencies.
- MSMEDA implements innovative environmental projects for preservation of environment and natural resources in the cooperation with development partners aiming to improve the citizens standards of life, concerning the serious environmental issues like the Climate Change effects.
- MSMEDA Provides technical support for its stakeholders within its funded projects, through providing specialized training programs, workshops and seminars for the beneficiaries jointly with Environmental and Social Experts.
- MSMEDA Sectors and Departments are coordinating for monitoring the Environmental and Social Requirements, OHS, Environmental and Social Potential Risks and mitigation measures in its funded projects.

MSMEDA can provide all types of services to all its clients through its 31 Regional Branches in which are established 33 units of One-Stop-Shop. To further enhance interaction with all development partners and project beneficiaries, and to ensure transparency, MSMEDA uses a number of mechanisms, as follows:

المنصة
الالكترونية
المصرية
للمشروعات



❖ Direct Contact



❖ Hot line : call center 16733



❖ Connecting with citizens through social media: (e.g. Facebook - Google Plus)



❖ Official website : www.msmeda.org.eg

❖ Electronic Portal www.msme.org

MSMEDA Achievements During The Period FROM 2021 TO 30/4/2022

MSMEDA Achievements From January to April 2022

Total finance:
2.4 billion Egyptian Pounds

Total Amounts Disbursed
to Small and Micro
Enterprises **2.3 billion
Egyptian
Pounds**

Total Amounts Disbursed to
Infrastructure, Community
Development and Training **108.8 million
Egyptian
Pounds**

Total enterprises
**73
thousand**

Total job
Opportunities
**125
thousand**

job opportunities
(man/day)
**790
thousand**

MSMEDA Achievements In 2021

Total finance:
7.5 billion Egyptian Pounds

Total Amounts
Disbursed to Small
and Micro
Enterprises **7.2 billion
Egyptian
Pounds**

Total Amounts Disbursed to
Infrastructure, Community
Development and Training **323.4 million
Egyptian
Pounds**

Total enterprises
**199
thousand**

Total job
Opportunities
Man/day
**431
thousand**

job opportunities
(man/day)
**1.5
million**







ONE-STOP-SHOP ACHIEVEMENTS

During The Period FROM 2021 TO 30/4/2022



National and International Exhibitions

During The Period FROM 2021 TO 30/4/2022

sales	contracting	Number of Exhibitors	Number of exhibitions	Location	
 102 Million Egyptian pound	 49 Million Egyptian pound	 3,327	 22	 Cairo	National exhibitions
24 Million Egyptian pound	2 Million Egyptian pound	2,001	160	Governorates	
4 Million Egyptian pound	4 Million Egyptian pound	56	5	 South Africa Jordan South Sudan Bahrain	International exhibitions



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Thanks